

# NSLHD BOARD MEETING

TUESDAY, 5 JULY 2016 3:30PM

BOARDROOM, LUMBY BLD, HORNSBY KU-RING-GAI HOSPITAL



Health

Northern Sydney  
Local Health District

## MINUTES

### Present:

Professor Carol Pollock	Chair, Board
Adjunct Professor Ann Brassil	Board Member
Ms Diane Flecknoe-Brown	Board Member
Mr Andrew Goodsall	Board Member
Ms Beata Kuchcinska	Board Member
Mr Peter Young	Board Member
Mr Anthony Hollis	Board Member
Dr Dianne Ball	Board Member
Dr Michele Franks	Board Member
Mr Don Marples	Board Member

### In attendance:

Adj. Associate Professor Vicki Taylor	Chief Executive, NSLHD
Dr Andrew Montague	Executive Director Operations NSRHS & NSLHD
Mr Lee Gregory	Director Finance & Corporate Services
Ms Judith Hogan-Wright	Secretariat

### Apologies:

Adj. Associate Professor Annette Schmiede	Board Member
Dr David Jollow	Chair, Medical Staff Executive Council

---

The Board met Hornsby Ku-ring-gai Hospital staff for informal discussions for thirty minutes prior to commencement of the Board meeting.

---

The Chair and Chief Executive advised the Board of the resignation of Ms Betty Johnson AO who has been a Director since the NSLHD Board's inception in 2011. The Board relayed their appreciation for her tireless work not only for the District but to the wider community.

Ms Johnson has a long association in the field of advocacy for patients, carers, families and consumers and her commitment to the improvement of health quality and safety for all.

---

## 1. Presentations

### 1.1 Capacity Assessment Project (CAP)

Presented by Director Finance and Corporate Services

The DF&CS advised the Board on the history and timeline of this project, which commenced in 2015 following the governance reforms in 2011. The Ministry of Health (MoH)'s rationale for this project was to identify governance and organisation maturity across four core areas: Quality and Safety; People and Culture; Governance and Leadership; and Finance.

The tabled documents outlined the work undertaken by the NSLHD over the preceding six month period.

Although this project was abandoned by the MoH, the DF&CS advised that it presented an opportunity for the District to investigate and identify areas of potential performance improvement and gauge overall governance standards. The majority of action items have been closed and those actions still current are being monitored to ensure closure. The Board commented on a number of items where the NSLHD *Performance against State* was of a

high rating. Communication was noted to be an area for improvement. The Communication Strategy has been deferred until completion of the Strategic Plan. The Strategic Planning process has been extended until early 2017 given the NSLHD Board composition will alter from 1 January 2017.

It was suggested to align all KPIs within NSLHD and to cascade them down throughout the various areas/departments of the organisation. The Chief Executive (CE) commented that this is under consideration.

These documents provided to the Board confidence that the Executive Leadership Team (ELT) had focused on and resolved identified issues.

---

## 2. Patient Story

The *Patient Experience* video presented was a collage of photos taken of the wide range of staff, patients and carers within the District. The video was an abridged CEC/ACI conference presentation shown at the *2016 Patient Experience Symposium*. It was a thought provoking reminder of why and how we can improve the patient journey. The CE advised that this video and the photos have been distributed and shared throughout the District.

---

## 3. Attendance / Apologies / Quorum / Conflict of Interest

Attendance and apologies were noted.  
There were no Conflict of Interests noted.

---

## 4. Confirmation of Minutes

Minutes of the meeting held 7 June 2016 are currently under review by the Chair.

For future meetings, it was agreed that the Board Secretariat will prepare and forward draft minutes to the Chair in the week following the meeting for circulation to Board members for review and comment, allowing three days for the Board's comments to be sent to the Board Chair.

---

## 5. Ongoing Business (in conjunction with Action List)

### 5.1 PCCPC Business Plan – Presentation

This presentation has been deferred given the resignation of Ms Betty Johnson AO. Ms Beata Kuchcinska has accepted the position of Chair of the Peak Consumer and Community Participation Council (PCCPC).

---

## 6. Standing Business

### 6.1 Chief Executive Summary

The Board **noted** the report. The Board commented positively on the detailed report. It was suggested that the report could include partnering and contestability and incorporate a dashboard or milestone reporting on projects.

The CE conveyed to the Board that an assessment and revaluation of our priorities is underway with realistic timeframes set for delivery of these projects. Two large projects that will have major impact on the future direction of NSLHD are the National Disability Insurance Scheme (NDIS) and the Northern Beaches Hospital. Of high importance to the organisation is

the drive towards integrated care, the completion and implementation of the Strategic Plan, the new rostering project and the delivering on the 2016/17 Performance Agreement. An aside to those mentioned above, the business as usual matters are still of importance to the success of the District i.e. strong financial outcomes, quality and safety, operational performance, teaching, research and education, innovation.

The Board unanimously agreed with the direction of the CE to focus on achievable projects. It was suggested that an agenda item be included specifically on strategic items and to seek Board input on these matters. The Board recommended that items that have long lead times be advised to the Board, eliminate regular updates and when projects are presented implementation plans are included.

The CE advised that eMR2 has been successfully launched on 8 July 2016; there will not be any paper notes going forward. The Chair has offered to provide a demonstration to the Board on the use of eMR2 from a clinician's utilisation of this system.

**Action: Board Directors to contact the Chair to arrange a demonstration of eMR2.**

The Chair provided details of the two successful MoH Translational Research Grants and information on the third but unsuccessful application. This is an indication of the strength of research embedded within NSLHD.

**Action: The Board to send letters of congratulations to the successful applicants and a letter of recognition to the unsuccessful applicant.**

## **6.2 Finance and Performance Report**

The Board **noted** the Financial Summary for May 2016.

The Director Finance and Corporate Services (DF&CS) provided additional information to the tabled report as listed below.

The result for the month of May has been unfavourably impacted upon by increased clinical costs at Royal North Shore and Hornsby Hospitals, the cessation of the Visiting Medical Officers (VMOs) 'top up' program particularly at Hornsby Hospital and non-recurring expenses due to the transfer of the Soft FM services to HealthShare.

The increased clinical cost is primarily due to the higher acuity of the patients, resulting in longer length of stays. Additional work is underway to address identified areas that have higher than normal lengths of stay. During times of high demand i.e. winter months, various strategies are being undertaken to minimise the utilisation of premium staffing expenses.

The 'top up' program has taken a longer period of time to resolve due to late back claims and it is anticipated this will have minimal impact next month.

The non-recurring expenses anomaly has been resolved due to reimbursement from MoH and will be noted in the June report.

The DF&CS undertook to follow-up and advise the status of the apparent revenue leakage reported by the NSLHD Clinical Council in their meeting on 2 May 2016.

From a question from the Board, it was noted the NSLHD is the best in the state on coding turn around due to recruitment of clinical coders and the work flexibility offered to staff.

### **6.2.1 OESI Report – May 2016**

The Board **noted** the tabled document.

The DF&CS provided additional information on the tabled document. In answer to an action item concerning Excess Leave Liability traffic light indicator, the variance is the difference between the target and the reduction achieved.

### 6.3 Overview of Finance & Performance Committee

In the absence of Adj. Associate Professor Annette Schmiede, this overview was presented by Mr Don Marples.

Over the last financial year, NSLHD moved from MoH Classification 3 to 0 which is a considerable achievement. Mr Marples thanked all those involved in attaining these results. The impacts of these results are as follows: tighter direct expense control; tighter bed management particularly through the lower activity periods; the last quarter has seen variability in expense due to unplanned demand; and revenue targets achieved and in some cases exceeded.

Going forward, the Finance & Performance Committee will investigate the structural capacity on the services that are provided at Hornsby and Royal North Shore Hospitals. Also under investigation is the impact to NSLHD once Northern Beaches Hospital is operationalised and the soft service provider for Royal North Shore Hospital.

---

## 7. New Business

### 7.1 NSW Health / NSLHD Service Agreement

The letter from Secretary, NSW Health to Chair, NSLHD Board was **noted**.

#### 7.1.1 Service Agreement 2016-2017

The Board **noted** the tabled document and the DF&CS provided a high level one page presentation.

The service agreement discussions commence in December of the prior year between the MoH and the NSLHD to identify expected costs and pressures which will impact on service delivery. The MoH also seeks comments from the District on State and Premier's Priorities specific to the District. A series of meetings are held with the MoH covering activity targets and a negotiated outcome is reached.

The high level outcome for this District to note is that the MoH is purchasing an additional 4,559 National Weighted Activity Units (NWAU) in the coming year with NSLHD's expense growth budget funded by \$53m. Within the \$53m, \$27m is general escalation of pay awards, goods and services, and \$4.2m is for other escalation and \$4.5m is funding for Specific Initiatives. eHealth is fully funded covering the expenses for state system implementations. High cost, low volume procedures has been funded by \$584k as well as funding of over and above general population growth demand totalling \$3.6m. The general growth 3,768 NWAUs representing \$13.7m was commented on as well as three issues that have been funded in various degrees.

To note, over the last three years the additional demand increase has been decreasing year on year. The funding for increased Hepatitis C services was a concern for the Board.

To achieve a balanced budget there will need to be a strong focus on efficiencies and cost reductions to fund discretionary activity and offset any adverse financial impact.

**Action: The presentation to be distributed to the Board and that the Board provide feedback / comments back to the DF&CS as soon as possible.**

### 7.2 Insights from LHD Board Members Conference 2016

The Board commented on the conference and congratulated the CE for her presentation.

## 8. NSLHD Committee Minutes

### 8.1 Audit and Risk Management Committee

The Board **noted** the endorsed April 2016 minutes.

The CE relayed to the Board the feedback post the tour of the facilities by the independent members of the Integrated Risk Management Committee and Sally Bond from the Audit Office of NSW as mentioned in the June minutes under item 8.1. The CE advised that comments received were very positive.

### 8.2 Capital Asset Planning Committee

The Board **noted** the endorsed November 2015 and March 2016 minutes.

### 8.3 NSLHD Clinical Council

The Board **noted** the endorsed May 2016 minutes.

### 8.4 Finance and Performance Committee

The Board **noted** the draft April 2016 minutes.

### 8.5 Health Care Quality Committee

The Board **noted** the endorsed April 2016 minutes.

### 8.6 Medical and Dental Appointments Advisory Committee (MDAAC)

The Board **noted** the endorsed May 2016 minutes.

### 8.7 Medical Staff Executive Council (MSEC)

The Board **noted** that the next meeting will be held in May 2016.

### 8.8 Peak Community and Consumer Participation Council (PCCPC)

The Board **noted** the endorsed April 2016 minutes.

---

## 9. Correspondence

### 9.1 Correspondence from Chair, Medical Staff Council

The Board **noted** the email from the Chair, Medical Staff Council regarding the proposed plans for Zone 8, 5 and the general green space of Royal North Shore Hospital. The response to Dr Bruce Cooper signed by the Chief Executive and the Chair was also **noted**.

---

## 10. Assignment of Common Seal Document

The Board **noted** the document assigned under common seal.

---

## 11. Other business

The Board was made aware of the Annual Public Meeting scheduled for 15 November 2016.

---

## 12. Date, Time & Venue for Next Meeting

9 August 2016, commencing at 4pm  
Boardroom, Building 51, RNS Campus

**Meeting Closed: 7:30pm**

---

**CERTIFIED A CORRECT RECORD**

**By Professor Carol Pollock, Chair  
On 10 August 2016**